

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

February 23, 2004

IN RE:)	
)	
PETITION OF ON-SITE SYSTEMS, INC.)	DOCKET NO.
TO AMEND ITS CERTIFICATE OF)	03-00386
CONVENIENCE AND NECESSITY)	

**ORDER APPROVING PETITION OF ON-SITE SYSTEMS, INC.
TO AMEND ITS CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

This matter came before Chairman Deborah Taylor Tate, Director Pat Miller and Director Ron Jones of the Tennessee Regulatory Authority (the "TRA" or "Authority"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on October 21, 2003 to consider the Petition (the "Petition") of On-Site Systems, Inc ("On-Site") to amend its Certificate of Public Convenience and Necessity ("CCN") to expand its service area to include an area known as King Branch Road in Sevier County, Tennessee

Legal Standard for Granting CCN

No public utility is permitted to begin construction or operation of a new utility facility or service before obtaining the approval of the TRA. The procedure for obtaining such approval is outlined in Tenn Code Ann § 65-4-201(a), which reads in pertinent part as follows.

No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility, or establish service therein, without first having obtained from the authority, after written application and hearing, a certificate that the present or future public

convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system or route to be operated as a public utility, or the operation of which would constitute the same, or the owner or operator thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate . .

Background

On April 6, 1994, On-Site received a CCN in Docket No 93-09040 from the Tennessee Public Service Commission to provide wastewater service to the Oakwood Subdivision in Maury County. Since that time, through various other dockets, On-Site has been granted approval to expand its service territory to include other areas in Tennessee.

Petition to Amend CCN

On June 10, 2003, On-Site filed its Petition to amend its CCN to expand its service area to include King Branch Road. A map showing the area to which On-Site proposes to extend service is attached to its Petition. On-Site filed a rate schedule with its Petition in this docket which states that residential rates for King Branch Road will be as follows:

Total monthly charge	\$35.11
Non-payment fee	5% of monthly charge
Disconnection fee	\$10
Reconnection fee	\$15
Returned check fee	\$20
Access fee	\$84/year

This rate schedule comports with the rate schedule for On-Site approved by the TRA in Docket No 99-00393.

In its Petition, On-Site contends that neither Sevier County nor the City of Gatlinburg have the desire or ability to provide wastewater service to King Branch Road. In support of this contention, On-Site submitted a letter dated June 2, 2003 from Ken L. Maples, Sevier County Assistant County Executive, stating that Sevier County does not intend to provide

sewer service for this area at this time. On-Site also submitted a November 7, 2002 letter from David W. Ball, City Planner for Gatlinburg, Tennessee, stating that the city does not plan to extend public sewer into this area within the next calendar year


October 21, 2003 Authority Conference

The Directors of this voting panel considered On-Site's Petition at the regularly scheduled Authority Conference held on October 21, 2003 and voted unanimously to approve the Petition.

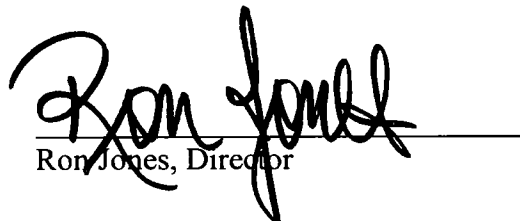
IT IS THEREFORE ORDERED THAT:

1 The Petition of On-Site Systems, Inc to amend its Certificate of Public Convenience and Necessity to expand its service area to include an area known as King Branch Road in Sevier County, Tennessee, as shown in the map attached to the Petition, is approved.

2. On-Site's rates for wastewater service to King Branch Road shall be as listed in the rate schedule filed with On-Site's Petition and as set forth in this Order.


Deborah Taylor Tate, Chairman


Pat Miller, Director


Ron Jones, Director